TL-7 - Promote Low-Carbon Fuels and Vehicle Technologies (Statewide)

Benefit/Cost of reducing CO_2e:

Arizona: 6.2 MMt between 2007-2020; 0.7% of 2020 emissions; $0 cost
New Mexico: 9.1 MMt between 2007-2020; 1.7% of 2020 emissions; $-13/ton
Oregon: 1 MMt between 2007-2025; 1% of 2025 emissions; Cost effective
N. Carolina: 25.8 MMt between 2007-2020; 1.2% of 2020 emissions; N/A

Assessment: High Priority. Bin A. 20 out of 22 votes.

This policy option could result in significant GHG reduction benefits. Some incentive programs are already in place in Utah, although they should be refined and expanded to extend GHG reduction and other benefits.

The State of Utah should promote low-carbon fuels and vehicle technologies. Examples could include low-carbon biofuels and other alternative fuels, hybrid, and plug-in vehicles. Incentives could include tax credits, HOV lane access, and parking advantages. Right sizing vehicles and vehicle fleets are also important methods to reduce carbon emissions from the automobile fleet statewide. For biofuels, fuel quality and related vehicle warranty issues should be addressed.

Currently in Utah, a tax credit and grant loan program exists for vehicles that utilize alternative fuels. This program provides incentives for natural gas and flex-fuel vehicles, but does not provide an incentive for off-the-shelf, market-ready high efficiency technology. Incentives should be fuel and technology neutral. Readily available technologies reduce GHG emissions through improved fuel efficiency through variable valve timing, cylinder deactivation, efficient transmissions, as well as hybrid drives and natural gas and cleaner diesel fuels.

A similar example being proposed on the national level is the OILSAVE Act recently proposed by Utah Senator Robert Bennett. The OILSAVE Act takes a technology-neutral approach and allows any vehicle with superior fuel efficiency to qualify for a credit, whether it uses hybrid or conventional technologies. Vehicles that are at least 25 percent more fuel efficient than the applicable CAFÉ standard for cars, trucks and SUVs, will get a tax credit of at least $630 and as much as $1860 for the most fuel efficient models. The consumer could claim the tax credit on his or her tax return or transfer it to an auto dealer – providing a “cash back” option to consumers at the time of purchase.